

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO et
al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER
AUTHORITY,

Debtors.

PROMESA

Title III

No. 17 BK 4780-LTS

MEDIATION TEAM’S REPLY IN SUPPORT OF THE REQUEST FOR APPROVAL OF A
THIRD EXTENSION OF THE MEDIATION TERMINATION DATE

To the Honorable United States District Judge Laura Taylor Swain:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

The Mediation Team appointed pursuant to the Order entered on April 8, 2022 respectfully submits this reply to the responses² received to the *Mediation Team's Notice and Request for Approval of Third Extension of Termination Date of Mediation* filed on July 27, 2022³ as follows:

1. The Mediation Team acknowledges that certain parties have voiced understandable concerns regarding the Request for a Third Extension of the Mediation Termination Date. Specifically, the Mediation Team is aware that some parties are legitimately frustrated with a process that is taking far longer than the Mediation Team reasonably anticipated, and also that there has been little direct communication with certain Mediation Parties. The lack of communication should not be taken as an indication that the Mediation Team seeks less than a global resolution for PREPA; rather, it merely reflects the Mediation Team's judgment that a staged process is the best process at this juncture. Nonetheless, the Mediation Team will redouble its efforts to keep all Mediation Parties apprised of developments, subject of course to maintaining mediation confidentiality.
2. It is the judgment of the Mediation Team that the Oversight Board's latest proposal reflects substantial progress and thus the Mediation Team believes it is crucial to continue the mediation process. The Mediation Team hopes and expects that discussions with additional creditor groups will begin shortly (and in at least one case result in material progress before August 15, 2022), all towards the goal of

² The following responses were filed: Joint Objection filed by Sistema de Retiro de los Empleados de la Autoridad de Energia Electrica (SREAEE), UTIER (Docket No. 2906 in Case No. 17-4780); and Limited Omnibus Objection of Official Committee of Unsecured Creditors (Docket No. 2907 in Case No. 17-4780).

³ Docket No. 21602 in Case No. 17-3283; Docket No. 2900 in Case No. 17-4780.

building broader support for a comprehensive restructuring proposal for PREPA.

The Mediation Team is grateful to the Mediation Parties and this Court for their patience.

WHEREFORE, the Mediation Team respectfully requests that this Court enter an Order granting the Request for Approval of the Third Extension of the Termination Date of the Mediation.

Respectfully submitted,

Dated: July 29, 2022

/s/ Shelley C. Chapman
SHELLEY C. CHAPMAN
United States Bankruptcy Judge

/s/ Brendan L. Shannon
BRENDAN L. SHANNON
United States Bankruptcy Judge

/s/ Robert D. Drain
ROBERT D. DRAIN
United States Bankruptcy Judge